

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

SCANSOFT, INC.

Plaintiff,

V.

Civil Action No. 04-10353 PBS

VOICE SIGNAL TECHNOLOGIES, INC.,  
LAURENCE S. GILLICK, ROBERT S.  
ROTH, JONATHAN P. YAMRON, and  
MANFRED G. GRABHERR

Defendants.

## SCANSOFT'S LOCAL RULE 56.1 STATEMENT OF DISPUTED MATERIAL FACTS

ScanSoft, Inc. (“ScanSoft”), pursuant to Local Rule 56.1, submits this statement of disputed material facts in opposition to defendant Manfred G. Grabherr’s motion for summary judgment.<sup>1</sup>

1. While employed by Lernout & Hauspie Speech Products N.V. (“L&H”), Mr. Grabherr’s work on L&H’s Voice Xpress speech recognition product and “Phoenix” project for small platform speech recognition optimization included the research and development of confidential, proprietary and trade secret information now owned by ScanSoft. Amended Compl. ¶ 30; Ganong Aff.<sup>2</sup> ¶¶ 4-5.

<sup>1</sup> ScanSoft anticipates that a number of additional material facts will be disputed in this litigation. ScanSoft submits this limited list for the narrow purpose of highlighting the hotly disputed nature of the alleged “uncontroverted material facts” Mr. Grabherr has submitted in support of his motion for Summary Judgment.

<sup>2</sup> The Affidavit of William Francis Ganong (“Ganong Aff.”) is attached hereto as Exhibit A.

2. The confidential, proprietary and trade secret information Mr. Grabherr had access to during his employment at L&H relates to the speech recognition architecture of L&H's Voice Xpress product, including the specific structural details of the product such as acoustic matching and word matching and the research and development of specific proprietary algorithms for recognizing commands, including algorithms used in the Voice Xpress product, as well as their organization and interaction. Ganong Aff. ¶ 4.

3. Through his work at L&H on the "Phoenix" project, Mr. Grabherr also became intimately familiar with L&H proprietary, confidential and trade secret information regarding the optimization of speech recognition technology for use on small platforms such as hand-held PDAs and cell phones. Ganong Aff. ¶ 5.

4. The confidential, proprietary and trade secret information Mr. Grabherr had access to at L&H is today found in ScanSoft's Dragon Naturally Speaking speech recognition product. Ganong Aff. ¶ 6; ScanSoft, Inc.'s Answers to the Second Set of Interrogatories (Nos. 1 – 4) of Voice Signal Technologies, Inc., Responses to Interrogatory Nos. 1 and 3. .

5. In addition to their inclusion in ScanSoft's Dragon Naturally Speaking product, the trade secrets Mr. Grabherr had access to at L&H are currently utilized by ScanSoft in ScanSoft's ongoing research and development efforts involving speech recognition. Ganong Aff. ¶ 7.

6. ScanSoft contends that Mr. Grabherr has misappropriated the very trade secrets Mr. Grabherr worked on at L&H and that he has used these trade secrets in products brought to the market by VST. Amended Complaint, ¶¶ 28 – 32; ScanSoft, Inc.'s Answers to the Second Set of Interrogatories (Nos. 1 – 4) of Voice Signal Technologies, Inc., Responses to Interrogatory Nos. 1 and 3.

Dated: May 18, 2005

SCANSOFT, INC.,  
By its attorneys,

/s/ Jack C. Schecter

---

Lee Carl Bromberg, BBO # 058480  
Robert Asher, BBO # 022865  
Erik Paul Belt, BBO # 558620  
Lisa M. Fleming, BBO # 546148  
Jack C. Schecter, BBO # 652349  
Rebecca L. Hanovice, BBO # 660366  
BROMBERG & SUNSTEIN LLP  
125 Summer Street  
Boston, Massachusetts 02110-1618  
(617) 443-9292

02639/00509 385735.1